

EXCEPTION TO THE RULE MAKING MORATORIUM – RULEMAKING PROCESS

August 27, 2014

The Arizona Department of Real Estate (ADRE) is in the process of formally requesting an exception from the Governor's Office to the moratorium on Rule Making which has been in place since 2009. The Governor's Office grants exceptions for changes to rules that include creating efficiencies, promoting cost savings, benefiting public health and safety and reducing burdens on business. **An exception has not yet been granted.**

This exception is necessary because:

- There have been no ADRE rule revisions since 2006;
- Many law changes have been implemented since 2006 which have no rule to support these changes;
- Some existing rules are overly stringent on the real estate industry and do not accommodate the ADRE's current electronic capabilities;
- Many efficiencies have been implemented by ADRE that need a rule clarification; and
- Many terms are used in laws that are not defined in Rule or elsewhere.

In order to expedite the exception process the ADRE has/will:

- The ADRE has researched the feedback since 2007 that has been submitted to the ADRE from industry stakeholder groups, including specific workgroup recommendations and the need for more clarification of existing statutes in the current rule, as well as the need for the removal of unnecessary stringent and burdensome processes for the real estate industry while adhering to the ADRE mission of "protecting the public".
- The ADRE developed a preliminary Initial Draft Proposed 2014 Rule Revision that was reviewed in July at a Special Real Estate Advisory Board meeting (with public notice), a meeting with the education community, Industry Association's, as well as other stakeholder groups.
- **Revisions/modifications have been made to the Draft that included stakeholder feedback from July;**
- If the Exception is granted, a docket shall be opened with the Governor's Regulatory Review Council (GRRRC), and within one year of the docket opening the Rule Revision process will proceed;
- When the proposed rules are submitted to the Governor's Regulatory Review Council (GRRRC) the ADRE may receive feedback and public input by written comment, and through public meetings for 30 days;
- After the 30 day public review period, ADRE shall close the record and submit the final rules to GRRRC within 120 days;
- GRRRC then has 30 days to review the final rules and schedule a public hearing.

The real estate industry and public will benefit from more clearly defined and updated rules that are consistent with law. Stakeholder meetings over these initial proposed rules will be held in September and October. For more information please contact **Sarah Dobbins at sdobbins@azre.gov**.